

EXHIBIT 1



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Transcript of Michael Sarrao Continued

Date: July 1, 2022

Case: Reed, et al. -v- Alecto Healthcare Services, LLC, et al.

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF WEST VIRGINIA

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KEITH REED, LISA DOLENCE, :
ELIZABETH SCHENKEL, EMILY WINES, :
MARK GARAN, CHRISTINA LUCAS, AND :
AUGUST ULLUM, INDIVIDUALLY AND :
ON BEHALF OF OTHERS SIMILARLY :
SITUATED, :

Plaintiffs, :

v. : CASE NO.:

ALECTO HEALTHCARE SERVICES LLC, : 5:19-CV-00263-JPB
AND ALECTO HEALTHCARE SERVICES :
WHEELING, LLC D/B/A OHIO VALLEY :
MEDICAL GROUP AND D/B/A OVMC :
PHYSICIANS, :

Defendants. :

-----X

CONFIDENTIAL

Deposition of ALECTO HEALTHCARE SERVICES LLC, AND

ALECTO HEALTHCARE SERVICES WHEELING, LLC D/B/A

OHIO VALLEY MEDICAL GROUP AND D/B/A OVMC

PHYSICIANS

(Caption continued on next page)

Transcript of Michael Sarrao Continued
Conducted on July 1, 2022

2

1 (Caption continued from previous page)

2

3 By and through its designated representative

4 MICHAEL SARRAO

5 CONDUCTED VIRTUALLY

6 Friday, July 1, 2022

7 11:16 a.m.

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22 Job No.: 455057

23 Pages: 1 - 156

24 Reported by: Kelly Walters, RVR, CVR

1 Deposition of MICHAEL SARRAO, conducted
2 virtually.
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15 Pursuant to agreement, before Kelly
16 Walters, RVR, CVR, and Notary Public in and for the
17 State of Ohio.
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A P P E A R A N C E S

ON BEHALF OF THE PLAINTIFF:

TIMOTHY F. COGAN, ESQUIRE

CASSIDY, COGAN, SHAPELL & VOEGELIN, LC

The First State Capitol Building

1413 Eoff Street

Wheeling, West Virginia 26003

(304) 232-8100

ON BEHALF OF THE PLAINTIFF:

MAUREEN DAVIDSON-WELLING, ESQUIRE

STEMBER COHN & DAVIDSON-WELLING, LLC

The Hartley Rose Building

425 First Avenue

7th Floor

Pittsburgh, Pennsylvania 15219

(412) 338-1445

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A P P E A R A N C E S (Continued)

ON BEHALF OF THE DEFENDANTS:

CHELSEA E. THOMPSON, ESQUIRE

MICHAEL S. GARRISON, ESQUIRE

SPILMAN THOMAS & BATTLE, PLLC

300 Kanawha Boulevard, East

Charleston, West Virginia 25301

(304) 357-4475

ALSO PRESENT:

JESSIKA BLANK, Technician

Transcript of Michael Sarrao Continued
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C O N T E N T S

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By Ms. Davidson-Welling	7

E X H I B I T S

(Attached to the transcript)

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1 P R O C E E D I N G S

2 Whereupon,

3 MICHAEL SARRAO,
4 being first duly sworn or affirmed to testify to
5 the truth, the whole truth, and nothing but the
6 truth, was examined and testified as follows:

7 EXAMINATION BY COUNSEL FOR THE PLAINTIFFS

8 BY MS. DAVIDSON-WELLING:

9 Q All right. Good morning or good
10 afternoon, as the case may be.

11 A Good morning.

12 Q All right. So would you please state
13 your full name for the record?

14 A Michael Joseph Sarrao, S-A-R-R-A-O.

15 Q All right. And who is your current
16 employer, Mr. Sarrao?

17 A I am self-employed.

18 Q Okay. All right. And before we go any
19 further -- so this is a corporate deposition. You
20 understand that, correct?

21 A I do. I understand it's 30(b)(6), and
22 I'm designated as a person most qualified. Yes, I
23 do.

24 Q Okay. And you've been designated by two

1 corporate entities; is that right?

2 A That's correct.

3 Q Okay. And those are Alecto Healthcare
4 Services LLC and Alecto Healthcare Services
5 Wheeling LLC, correct?

6 A That's correct.

7 Q Okay. All right. So just for shorthand
8 purposes, if I refer to Alecto Healthcare Services
9 as AHS, will you know what I mean?

10 A I will.

11 Q Okay. And if I refer to Alecto
12 Healthcare Services Wheeling as AHSW or Alecto
13 Wheeling, will you know what I mean?

14 A Yeah, I generally refer to it as Alecto
15 Wheeling, but I would know what you mean, yes.

16 Q Okay. All right. And if I refer to
17 Ohio Valley Medical Center as OVMC, is that okay?

18 A That's fine, and if I have a question
19 about it, I'll raise the question.

20 Q Okay. All right. Okay. So just a few
21 background questions more akin to rules. Will you
22 tell me if you don't understand my question?

23 A I will.

24 Q Okay. Will you tell me if you find my

1 question confusing?

2 A Yes.

3 Q Okay. Will you tell me if I have
4 assumed an incorrect fact in a question?

5 A Yes.

6 Q Okay. Will you tell me if you don't
7 know the answer to a question?

8 A Yes.

9 Q Okay. Are you aware that your testimony
10 today is in a lawsuit involving OVMC?

11 A I believe it's involving Alecto and
12 Alecto Wheeling versus -- OVMC is just a trade
13 name, but, yes.

14 Q Okay. Do you understand the answers to
15 your questions today may be used in court?

16 A I do.

17 Q Okay. Okay. So I am going to show you
18 a couple of notices here just to identify them.
19 Would -- I wonder if it's easier for me -- okay.
20 So I'm going to pull up -- let's see. I wonder if
21 I can do this through my share screen. Let's see.
22 Or maybe the --

23 MS. DAVIDSON-WELLING: Could the court
24 reporter pull up the document from the deposition

1 exhibits that's 2022630P's amended notice of
2 videotaped deposition that ends Alecto Healthcare
3 Services?

4 TECHNICIAN: Yes. Please stand by. I
5 have one that says Alecto Healthcare Services
6 Wheeling and Alecto Healthcare Services. Is there
7 a difference in --

8 MS. DAVIDSON-WELLING: Just do the
9 Alecto Healthcare Services one first.

10 TECHNICIAN: Okay. Stand by. And would
11 you like this marked as number one?

12 (Exhibit 1 marked for identification and
13 attached to the transcript.)

14 BY MS. DAVIDSON-WELLING:

15 Q All right. Mr. Sarrao, please take a
16 look at what has been marked as Exhibit 1 to this
17 deposition and let me know if you recognize it.

18 A Yeah. I recognize it.

19 Q Okay. Is this the 30(b)(6) deposition
20 notice to AHS in this matter?

21 A That's -- it's the amended notice of
22 videotaped deposition of the 30(b)(6) of Alecto,
23 yes.

24 Q Okay. Great. And you understand that

1 Exhibit 1 is a deposition notice that requires AHS
2 to designate a person to testify on its behalf,
3 correct?

4 A Yeah. Subject to the appropriate
5 objections. Yes, I understand what that is, yes.

6 Q Okay. And you understand that AHS is
7 required to fully prepare somebody to answer with
8 the information that's known or reasonably known
9 to the corporation on the --

10 A I don't know if that's the exact
11 requirement of 30(b)(6), but I understand in the
12 30(b)(6) that Alecto has to have a person most
13 qualified testify and be prepared to testify to
14 the matters. So -- I haven't read 30(b)(6) for a
15 while, so I don't know if that's the exact quote
16 of it, but I understand the purpose of the
17 30(b)(6) notice of deposition.

18 Q Okay. All right.

19 MS. DAVIDSON-WELLING: Would the court
20 reporter scroll down? Let me see here. I'm going
21 to -- yeah.

22 Q So you see there is an attachment there
23 to the deposition exhibit?

24 A I do.

1 Q Okay. And do you see that there are
2 certain topics that are at the bottom of the
3 deposition notice there?

4 A I do.

5 Q Okay. And do you see that there are
6 five topics that are listed there under subject
7 matter?

8 A Well, I can only see this page, and
9 there's two on this page, so I assume
10 (indiscernible) --

11 Q Okay. So you see two of them?

12 MS. DAVIDSON-WELLING: And would the
13 court reporter please scroll down to the next page
14 so that he can see the other three?

15 A Yeah. I see the other three, yes.

16 Q Okay. Now, Mr. Sarrao, have you been
17 designated by AHS to speak on its behalf with
18 respect to all five of the topics that are listed
19 in this exhibit?

20 A I been designated to testify on behalf
21 of AHS for all five topics, yes.

22 Q Okay. All right. Okay. Now, before we
23 go any further, let's pull up the next notice,
24 which is -- so there's a second notice of

1 deposition which was for AHS Alecto Wheeling that
2 is in the file.

3 MS. DAVIDSON-WELLING: Would the court
4 reporter please pull that notice up as well?

5 TECHNICIAN: Yes. Stand by. Okay.
6 It's on the screen.

7 Q All right. Mr. Sarrao, please take a
8 look at what's been marked as Exhibit 2 to this
9 deposition.

10 A Okay.

11 Q Do you have that in front of you?

12 (Exhibit 2 marked for identification and
13 attached to the transcript.)

14 A I have it on the screen, yes.

15 Q Okay. Is this the amended notice of
16 deposition for the 30(b)(6) corporate deposition
17 of Alecto Wheeling?

18 A It is.

19 Q Okay.

20 MS. DAVIDSON-WELLING: And if the court
21 reporter would scroll down to -- there's a set of
22 subjects for this deposition notice as well. Do
23 you see those?

24 A I see the first two, yes.

1 Q Okay.

2 MS. DAVIDSON-WELLING: And would the
3 court reporter scroll down, please, so he can see
4 the next ones, too?

5 A I see those as well. There's a total of
6 five.

7 Q Okay. Mr. Sarrao, have you been
8 designated by Alecto Wheeling to speak on its
9 behalf with respect to all five of the topics that
10 are in this notice of deposition?

11 A I've been designated to testify on
12 behalf of Alecto Wheeling for all five topics,
13 yes.

14 Q Okay. And the five topics in the two
15 notices that we've now looked at are the same five
16 topics, correct?

17 A I didn't compare them, but they look
18 like they're the same topics, yes.

19 Q Okay.

20 A I didn't compare them word for word, but
21 if that's what you're telling me, I'm assuming
22 that's the case, yes.

23 Q Okay. Mr. Sarrao, do you have full
24 authority to speak on behalf of AHS and Alecto

Transcript of Michael Sarrao Continued
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1 there any payments that -- well, actually before I
2 get there, just going back to that. So AHS Ohio
3 Valley or Alecto Ohio Valley really didn't have
4 any liabilities, so to speak, that needed to be
5 paid is what I --

6 A Yeah. It didn't contract -- other than
7 the CNH loan and MPT lease, it didn't contract
8 with any vendors. It didn't do anything. It
9 didn't employee anybody. It didn't do anything.
10 It was a holding company is what Alecto Ohio
11 Valley is. I'd have to go back and check, but I'm
12 not even sure Alecto Ohio Valley had any checking
13 accounts per se. It was a holding company.

14 Q Okay. And then if we go to the next
15 topic, which asks about payments made by Alecto
16 Ohio Valley for debts, expenses, or other
17 financial obligations incurred by Alecto Wheeling.
18 Were there any payments that Alecto Ohio Valley
19 made, you know, for Alecto Wheeling, you know,
20 debts, expenses, or financial obligations?

21 A No.

22 Q (Indiscernible) --

23 A And I just want to go back to the Roman
24 numeral IV.

Transcript of Michael Sarrao Continued
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1 the types of positions that were anticipated to be
2 lost as a result of the closure?

3 A Yes. Correct.

4 Q Okay. All right. The notice that's in
5 Defendants' 82 -- that's Bates marked Defendants'
6 82 that we looked at, was that the only written
7 notice that was sent out to all the employees
8 about the closure at the hospitals?

9 A That would have been mailed out. There
10 was a Q&A that was available at the hospital. I
11 think it was posted at the hospital, and then they
12 had employee forms. But I think the actual that
13 was mailed out was that letter and the attachment
14 we just talked about.

15 Q Okay.

16 A And then, I mean, as it relates on
17 August 8th. After their termination date, they
18 got COBRA notices and that kind of stuff, but
19 August 8th, that's what was sent.

20 Q Right. Okay. Okay. So let's see here.
21 All right. So we also -- okay. Let's go back to
22 the deposition notice.

23 MS. DAVIDSON-WELLING: Can we do that,
24 madam?

Transcript of Michael Sarrao Continued
Conducted on July 1, 2022

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1 be here. I will have to follow up on that.

2 Q Okay. All right. Yeah. If you would
3 just to clarify that.

4 A Yeah. That's from -- see where it would
5 show up. I'll follow up.

6 Q All right. Okay. And so but otherwise,
7 what generally this pay dictionary does, these
8 summary tabs, is tell you what the meaning of the
9 pneumonics are?

10 A Correct. That's what it does. So on
11 the payroll register, you know, you'll see
12 different things like -- like, if you look at line
13 91, it will just say TRAUCAL. That's trauma call.
14 So you're if you're on call, you get a payment for
15 that, and that's what it shows.

16 Q Right. Okay. All right. So we can set
17 that aside. Okay. So going back to topic 5 in
18 the notice, so there were -- there are three
19 documents here that are listed, and I want to ask
20 you about these. So maybe we can pull up the
21 first one of these.

22 MS. DAVIDSON-WELLING: So if the court
23 reporter would pull up Defendants' 16730?

24 TECHNICIAN: Yes. Stand by. This will

1 be Exhibit 8.

2 (Exhibit 8 marked for identification and
3 attached to the transcript.)

4 Q All right. Okay. Mr. Sarrao, do you
5 have Defendants' 16730 in front of you?

6 A I do.

7 Q Okay. Do you recognize this document?

8 A I do. It's one of those reports that I
9 reviewed in anticipation of the deposition, and I
10 consider it an employee census report.

11 Q Okay. All right. Okay. And I believe
12 this document is marked as Exhibit 8 to this
13 deposition.

14 A Okay.

15 Q So this Exhibit 8 is an employee census
16 you said?

17 A That's what I consider it, but it's a
18 roster of the employees. It has their name, hire,
19 status, employee type, hours. The grade and the
20 step don't mean as much. And then the base rate,
21 and when that current base rate was effective.

22 Q Okay. Yeah. So let's talk about the
23 various -- you mentioned that this is a roster of
24 employees, and there's a bunch -- and it's

1 actually -- it looks like it's -- if you scroll
2 down to the second page, it appears to be a PDF of
3 a spreadsheet that went across two pages. Do you
4 see that?

5 A I can't see the second page yet, but you
6 can --

7 Q It looks like the first page is columns
8 --

9 A Yeah. Yeah. You're right.

10 Q -- A through K.

11 A Yeah.

12 Q And the second page is columns L through
13 P.

14 A Yeah. You're right. Yeah.

15 Q And so A through K and L through P for
16 each row pertain to the same employee?

17 A Correct.

18 Q Okay.

19 MS. DAVIDSON-WELLING: And we can scroll
20 back to the first page.

21 Q Okay. You mentioned this is a roster of
22 employees. Which employees?

23 A These would be -- if you look on the
24 second page, it would be employees at OV -- I'd

1 have to go through the whole roster to see the
2 bottom page, but if you scroll to the second page
3 where it says position, where it starts 21. I
4 know that's the cost center for OVMC. So I know
5 those are employees that worked at OVMC.

6 Q Are you talking about in column O under
7 department?

8 A No. Well, either one. But if you look
9 at column M or you look at column O, where both of
10 them start with 21.

11 Q Uh-huh.

12 A 21 was the number we assigned to OVMC.

13 Q All right. So all the numbers that
14 started with a two were OVMC cost center numbers?

15 A They start with 21. Yeah. That should
16 be -- all the cost centers start with two. I
17 believe that's correct, but I know 21 is the OVMC,
18 you know, cost center.

19 Q The cost center numbers for East Ohio
20 Regional Hospital, what number did those cost
21 centers --

22 A I believe it was 31. So we had four
23 cost centers, really, if I recall correctly. 21
24 was the hospital. There was a cost center for the

1 physician group affiliated with OVMC. Then there
2 was one for East Ohio Regional Hospital, and then
3 the physician group. They weren't separate
4 entities, it just -- we just kept them as separate
5 cost centers.

6 Q Okay. What was the cost center number
7 for the physician group associated with OVMC?

8 A I believe it was 22 or 23.

9 Q Okay. And what about the physician
10 group for you, EORH?

11 A I believe was 32 or 33.

12 Q Okay. So it would have been 21 and 22
13 or 23 for OVMC, and 31 and 32 or 33 for EORH?

14 A Correct. And there were a few employees
15 that worked at both places. They would be
16 assigned to their primary cost center where they
17 worked the most.

18 Q Okay. All right. So if we go back up
19 to the top of this exhibit to the first page. I
20 just want to ask you what some of these codes are.

21 A Sure.

22 Q Okay. So the first column, the title of
23 that column appears to be something called
24 employee number. What is that number?

1 A Every employee had a separate employee
2 number. So they were assigned an employee number
3 in the system. So that was -- so in this first
4 one, for example, Lexanne Marlin, her employee
5 number was 2131589. Each person had an individual
6 employee number.

7 Q Okay. And then the employees last name
8 and first name are what's in columns B and C; is
9 that right?

10 A That's correct.

11 Q Okay. And column D is hire date?

12 A Correct.

13 Q Okay. So that was the date the employee
14 was hired?

15 A Yeah. And it's their hire date as they
16 were hired by Ohio Valley Medical Center, Inc. or
17 the seller entities that we bought the hospital
18 because we agreed to honor those hire dates as far
19 as benefits, and accruals, and stuff like that.

20 Q It includes predecessors?

21 A It does. Well, I don't know if they're
22 predecessors, but it includes the prior
23 employment.

24 Q Okay.

1 A So, obviously, the first one, she
2 started in 19 -- or he -- she started in 1980,
3 right? So that's when she -- obviously, didn't
4 work for Alecto Wheeling, but worked for another
5 entity prior to that, but worked at the hospital.

6 Q The next column is E, which is titled
7 status. Do you see that?

8 A I see that.

9 Q Okay. And it looks like there are many
10 that are listed as active and some that are listed
11 as leaves. What was reflected in the status
12 column?

13 A So whether they were an active employee
14 or they were on leave -- they could have been on
15 medical leave, various different leaves. Family
16 Medical Leave Act -- different leaves they could
17 be on. So if they were leave, they weren't an
18 active employee. That's what the leave means. I
19 mean, there's different types of leave. There's
20 military leave, all different things, but most of
21 the leaves would be medical leaves. They had some
22 injury, some medical condition that they were put
23 on leave. They weren't able to work. I'd have to
24 go back and look. Some of them could be pregnancy

1 leave, you know, they had a baby. They --
2 maternity leave, things like that, so --

3 Q Okay.

4 A But they weren't actively working. They
5 were an employee, but they were on leave.

6 Q The next column is something called
7 employee type. Do you see that?

8 A I do see that.

9 Q And there are a bunch of codes below
10 that appear to be filled in and that column. Do
11 you see that?

12 A Yes.

13 Q Okay. What was employee type? What was
14 reflected in that column?

15 A Well, effectively, what -- well, that's
16 the part-time, full-time, per diem thing. So,
17 like, PTR is part-time regular. They work a
18 regular schedule. They were regular employees.
19 Then FT is full-time. And then you can see how
20 many hours they worked in the next column. PD is
21 per diem, so they just -- they work as needed, so
22 they don't have any fixed number of hours per pay
23 period. And FTPIL is the full-time paid in lieu.
24 That's what we were talking about for benefits.

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1 Q Okay. And then the next column has
2 something called -- in column C, do you see it
3 says status reason?

4 A Yes.

5 Q Okay. And what information is reflected
6 in the status reason column?

7 A Well, it's ST, which is status, and it's
8 an abbreviation. LOW means laid-off worker. That
9 means they were laid off. And then some of them
10 it says new job. That means they left because
11 they got a new job. I think there was one or two
12 that may say discharge. They got discharged.
13 They got terminated for cause, but that's what
14 that means.

15 Q Okay. And what about -- I think there
16 are a couple more codes if we scroll down. I
17 think there's a code for SR retire?

18 A I think there was one, yeah. SR retire,
19 yeah.

20 Q What did that signify?

21 A It means they retired. They chose --
22 they retired from their position.

23 Q Okay. And then I think there's one
24 other code --